

C. DUKES SCOTT
EXECUTIVE DIRECTOR

1401 Main Street, Suite 900
Columbia, SC 29201



DAN E. ARNETT
CHIEF OF STAFF

Phone: (803) 737-0800
Fax: (803) 737-0986

JOHN W. FLITTER
DIRECTOR
ELECTRIC & GAS REGULATION

August 1, 2012

VIA ELECTRONIC FILING

Ms. Jocelyn Boyd
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

RE: Request for Approval of Revisions to Experimental Prepay Pilot Program
Docket No.: 2009-190-E

Dear Ms. Boyd:

The South Carolina Office of Regulatory Staff ("ORS") has reviewed the filing in the above-referenced docket and supports Progress Energy Carolinas, Inc.'s ("PEC's") request for approval of revisions to its proposed experimental tariff, Residential Service-Prepay Pilot Program Schedule RPP-18 ("Prepay Program").

The revised Prepay Program is to be funded entirely by the American Recovery and Reinvestment Act. This ameliorates concerns about the impact of the program on ratepayers, but also requires the proposed revision to the ending date of the program in this filing, from December 31, 2014 to April 30, 2014. The increased program availability will allow customers within PEC's entire South Carolina service area to access the program, except in certain areas where customers are not able to maintain the continuous cellular connection required for the prepaid metering system. The revised program also provides additional customer protection by requiring the use of two notification channels when the experimental In-Home Display is utilized.

We would note that the North Carolina Public Staff filed comments in support of the Prepay Program; however the North Carolina Utilities Commission denied approval of the Prepay Program without prejudice on the basis that PEC had not sufficiently demonstrated that the Prepay Program has the potential to lead to a cost effective energy efficiency program.

ORS respectfully submits that this revision to the pilot allows South Carolina to benefit as there will be no program costs to the ratepayer. As originally proposed, program costs would have been borne by

Continued...

Ms. Jocelyn Boyd
August 1, 2012
Page 2 of 2

North Carolina and South Carolina ratepayers. The pilot will also allow the company to gather data to determine the eventual cost effectiveness of the Prepay Program.

Thank you for the opportunity to provide our comments in this matter.

Sincerely,



John W. Flitter

cc: Dan F. Arnett, Chief of Staff, SC ORS
Nanette S. Edwards, Chief Counsel and Director of Legal Services, SC ORS
Len S. Anthony, Esquire, General Counsel, Progress Energy Carolinas, Inc.
Dr. James Spearman, Executive Assistant, PSCSC